



**Australian Government**  

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**Department of Health and Ageing**  
**NICNAS**

**COST RECOVERY AT NICNAS**  
**Principles and Practices Manual**

**June 2011**

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## **Glossary of Terms and Abbreviations**

**ABC** – Activity Based Costing

**AICS** - Australian Inventory of Chemical Substances

**BPORs** - Budget Process Operational Rules

**CPI** – Consumer Price Index

**Cost Recovery Guidelines** - Australian Government Cost Recovery Guidelines

(available online at [http://www.finance.gov.au/publications/finance-circulars/2005/09.html#FMG\\_4](http://www.finance.gov.au/publications/finance-circulars/2005/09.html#FMG_4))

**CR** – Cost Recovery

**CRIS** – Cost Recovery Impact Statement. A statement documenting compliance with the Australian Government cost recovery policy.

**SEWPaC** - Department of Sustainability, Environment, Water, Population and Communities (formerly the Department of the Environment, Water, Heritage and the Arts)

**DoFD** – Department of Finance and Deregulation

**DoHA** – Department of Health and Ageing

**FMA Act** – Financial Management and Accountability Act 1997

**IC(NA) Act** - Industrial Chemicals (Notification and Assessment) Act 1989

**IGCC** - Industry Government Governance Committee

**NICNAS** - National Industrial Chemicals Notification and Assessment Scheme

**RAS** – Resource Allocation System

**WPI** – ABS Wage Price Index

## 1 Purpose

The purpose of this document is to establish overall principles to be used in the formulation of NICNAS fees and charges. This document is for the use of NICNAS in considering appropriate resourcing levels and fees and charging structures.

NICNAS is currently preparing a cost recovery impact statement (CRIS). This document will be updated following any changes to NICNAS's cost recovery procedures as a result of the CRIS.

## 2 Background

In December 2002 the Australian Government adopted a formal cost recovery policy to improve the consistency, transparency and accountability of its cost recovery arrangements and promote the efficient allocation of resources. The underlying principle of the policy is that entities should set fees and charges to recover all costs of products or services where it is efficient and effective to do so, where the beneficiaries are a narrow and identifiable group and where charging is consistent with Australian Government policy objectives. Cost recovery policy is administered by the Department of Finance and Deregulation (DoFD) and outlined in the *Australian Government Cost Recovery Guidelines* (Cost Recovery Guidelines). The key features of this policy are set out in Appendix A.

### 2.1 What is Cost Recovery?

**(Extract from the Australian Government Cost Recovery Guidelines, July 2005, ISBN 0-9757365-5-8)**

Cost recovery is the recovery of some or all the costs of a particular activity.

Australian Government cost recovery charges fall into two broad categories:

- fees for goods and services; and
- 'cost recovery' taxes (primarily levies, but also some excises and customs duties).

Cost recovery is different from general taxation. Some levies or taxes are used to raise cost recovery revenues, but the direct link – or 'earmarking' – between the revenue and the funding of a specific activity distinguishes such cost recovery taxes from

general taxation. General taxation, on the other hand, is a compulsory extraction of money by a public authority for public purpose, enforceable by law, and which is not a payment for services rendered.

## **2.2 Why Have Cost Recovery?**

**(Extract from the Australian Government Cost Recovery Guidelines, July 2005, ISBN 0-9757365-5-8)**

Used appropriately, cost recovery can provide an important means of improving the efficiency with which Australian Government products and services are produced and consumed. Charges for goods and services can give an important message to users or their customers about the cost of resources involved. It may also improve equity by ensuring that those who use Australian Government products and services or who create the need for regulation bear the costs.

However, cost recovery may not be warranted where:

- it is not cost effective; or
- it would be inconsistent with government policy objectives; or
- it would unduly stifle competition and industry innovation (for example through 'free rider' effects).

## **2.3 History of Cost Recovery at NICNAS**

Cost recovery arrangements for activities undertaken by NICNAS to regulate industrial chemicals were introduced with the *Industrial Chemicals (Notification and Assessment) Act 1998* (IC(NA) Act). Fees and charges were initially established to recover 50% of NICNAS's costs. The majority of costs were recovered via application fees for new chemical and priority existing chemical assessment services. This was reviewed in 1997 when the then Minister for Workplace Relations and Small Business approved changes to move NICNAS to 97% cost recovery of regulatory activities from industry. The initial NICNAS registration charge, as introduced in 1998, was a two-tier system payable where the value of the chemicals introduced in the registration year exceeded \$500,000 but was less than \$5,000,000, and where the value of the chemicals introduced in the registration year exceeded \$5,000,000. This two-tier system continued unchanged until the IC(NA) Act was amended in 2004 with the introduction of a registration fee where the value of the

chemicals introduced in the registration year was \$500,000 or less (no lower threshold). NICNAS became 100% cost recovered following the 2004-05 Cost Recovery Impact Statement, when government funding for some compliance activities and providing services to government was ceased.

### **3 NICNAS's Key Fee and Charge Setting Principles**

#### **3.1 Equity**

NICNAS will follow the government's cost recovery guidelines which state: *“When cost recovery is appropriate, charges should be based on fees, as long as they are efficient, cost effective and consistent with the policy objectives of the agency. Because they are not so closely linked to the cost of individual activities, levies do not have the efficiency advantages of fees. They may also place less direct pressure on the agency to improve efficiency. Therefore, it is desirable, where possible to charge for activities directly through fees.”*

Fees and charges will be set to recover the full costs of providing services to the relevant user and regulated group. The registration levy is to be applied in an equitable manner, while still being efficient to collect.

#### **3.2 Efficiency**

Revenue is to be collected in the most efficient manner and should accurately reflect the cost of the activity to the regulated firms or individuals. Mechanisms to collect monies should enable the efficient collection of revenue. For example, up front payment of services should be used to minimise the risk of bad debt.

#### **3.3 Price Stability**

Fees and charges will be set on the basis of achieving full cost recovery while seeking to minimise the frequency and level of price variations. NICNAS fees and charges are generally reviewed annually.

#### **3.4 Transparency**

Transparency is a key means of improving efficiency and accountability. Stakeholder consultations will be promoted, transparent reporting processes will be adopted, and

financial statements will be provided in the Portfolio Budget Statements, and NICNAS and DoHA annual reports.

To ensure transparency of cost recovery, the NICNAS budget, cost recovery outcomes and any proposed changes to fees and charges will be discussed with the IGCC in a timely manner. At the end of each financial year, details of the end of year result and the amount of any under- or over-recoveries accumulated from prior years will be presented to the IGCC for consideration. Stakeholders will be advised as early as possible of any changes in fees and charges.

#### **4 NICNAS's Current Cost Recovery Model**

Current government policy is that all NICNAS activities are cost recovered. Cost recovery from industry occurs primarily through two funding streams:

- NICNAS registration – three tiered annual levy on all introducers of industrial chemicals (importers and manufacturers); and
- New chemicals fees and charges – fee for service for new chemical assessments.

Costs are recovered on a not-for-profit basis, but include all direct and indirect costs (see section 5 for details).

NICNAS fees and charges are determined annually in consultation with the IGCC. The IGCC was established in 1997, when NICNAS cost recovery arrangements were changed to 97% cost recovery of regulatory activities from industry, to ensure that industry has the opportunity to participate in the NICNAS budgetary process. The IGCC provides the opportunity for industry and government input into the NICNAS planning process and provides a forum for discussion on NICNAS performance.

NICNAS fees and charges are indexed by a model agreed by the IGCC in 2004-05. The index model used is comprised of 75% of the December Wage Price Index (WPI), reflecting average wage movements, and 25% of the December Consumer Price Index (CPI). This adjustment is not automatic, but is to be considered annually in full consultation with the IGCC.

#### 4.1 NICNAS Registration Fees and Charges (Levy)

All importers and/or manufacturers of relevant industrial chemicals are required by the IC(NA) Act to register with NICNAS and pay the prescribed administration fee. A person who proposes to introduce relevant industrial chemicals<sup>1</sup> of a value equal or greater than the prescribed threshold is also required to pay the prescribed charge (levy).

The current registration tier structure is shown in table 1 below. Currently a charge is imposed when the value of introduced relevant industrial chemicals is \$500,000 or greater per registration year (tiers 2 and 3). The registration year runs from 1 September to 31 August in the following year.

**Table 1: NICNAS Registration Tier Structure.**

<b>Tier</b>	<b>Applicable introduction value</b>	<b>Administration fee</b>	<b>Charge payable</b>
1	\$1 - \$499,999	Yes	No
2	\$500,000 - \$4,999,999	Yes	Yes
3	\$5,000,000 or more	Yes	Yes

At present most of the activities undertaken by NICNAS to regulate industrial chemicals under the IC(NA) Act (except new chemicals assessments) are funded from NICNAS registration funds. A list of these activities is included at Appendix B.

A 15% penalty fee applies to all registration renewal fees and charges that remain outstanding after the due date. This was introduced in 2003-04 to improve scheme equity and better target NICNAS compliance effort.

#### 4.2 NICNAS New Chemicals Fees for Service

New Chemical Assessments are funded on a fee for service basis from New Chemicals fees and charges. NICNAS has developed a set of fees and charges to recover the cost of the pre-market assessment of new chemicals introduced into

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<sup>1</sup> Relevant industrial chemicals are chemicals that have an industrial use not including: use as an agricultural or veterinary chemical or constituent of an agricultural or veterinary chemical, therapeutic use or use as an ingredient or component in the preparation or manufacture of goods for therapeutic use, use as food intended for consumption by humans or animals or as constituent of such food, or use as a food additive; and is not a naturally-occurring chemical, biological material, an incidentally-produced chemical, or a reaction intermediate.

Australia. Fees and charges have been designed on a sliding scale to reflect the volume of data and complexity of scientific review associated with the assessment, with lower fees applicable to permit assessments and more limited assessments (e.g. chemicals of low regulatory concern). The IC(NA) Act also provides for some fee waivers and remissions in defined circumstances. Fees are set to reflect the major cost drivers associated with assessments – the scientific and administrative time spent in reviewing and processing applications.

Administrative fees are payable with respect to maintaining confidential listings on the Australian Inventory of Chemical Substances (AICS), varying data requirements for assessment, seeking exemptions from publication of commercial in confidence material in assessment reports, and varying an assessment report.

The list of current fees categories is included in Appendix C.

#### *4.2.1 Rebates and Refunds*

The IC(NA) Act provides for some fee waivers and remissions in defined circumstances. Regulation 15, Remission of fees (Act, s. 110), denotes specific conditions in which the Director may, and in certain situations must, remit a prescribed amount of the fee paid for an application, statement, nomination or notification under particular sections of the IC(NA) Act. Regulation 16A, Waiver of fees – secondary notification of listed industrial chemicals, specifies that the Director may wholly or partly waive any fee under paragraph 110 (a) (s) of the IC(NA) Act if the fee is payable in relation to a notification of a listed industrial chemical.

#### *Electronic Template Rebate*

The regulations to the IC(NA) Act enables the Director to remit up to 15% of the new chemicals notification application fee when submissions are made using an agreed electronic template. This rebate was introduced as an incentive for applicants to submit data in the format of the assessment report, thus standardising the format, quality and consistency of data provided in notification statements by applicants on toxicity, exposure and chemistry; assisting the applicant in meeting their notification obligations under the IC(NA) Act; and assisting NICNAS in the preparation of the assessment reports.

The process of calculating the percentage rebate requires NICNAS, and DSEWPaC where appropriate, to review the application quality against set criteria. The quantum of the rebate (up to a maximum of 15% of the assessment fee) is dependent on the quality and completeness of the application.

### *Screening Framework*

In 2007 NICNAS introduced an enhanced screening framework as an administrative measure to enhance efficiency. Under the framework NICNAS assesses the quality of the application and specifies the timeframe within which the applicant must address any data gaps. Following administrative and technical screening, the application is determined to be either complete (and the assessment clock can start), incomplete (outstanding data that can be easily rectified and the assessment clock can start), or substantially deficient. The timeframe specified for addressing outstanding matters is 14 days for permit applications and 28 days for certificate applications. The notifier also has the option of submitting a timetable for addressing the outstanding matters.

The screening framework enables NICNAS to return both grossly deficient submissions and submissions where the notifier does not respond to NICNAS's requests to address outstanding matters. By not holding applications for an indefinite period of time while waiting for additional data, this process assists NICNAS to focus on active applications and has enabled better management of resources and minimised flow through time for applications.

Under the enhanced screening framework, NICNAS introduced a screening fee/refund arrangement as published in the February 2007 Chemical Gazette<sup>2</sup>. The refund given under this arrangement is:

- 100% (minus the cost for an AICS search) where the chemical is found to be an existing chemical during the administrative screening stage;
- 90% where the application is withdrawn after administrative screening;
- 70-85% (dependent on assessment type) where the application is withdrawn after administrative and technical screening;

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<sup>2</sup> [http://www.nicnas.gov.au/Publications/Chemical\\_Gazette/pdf/2007feb\\_whole.pdf](http://www.nicnas.gov.au/Publications/Chemical_Gazette/pdf/2007feb_whole.pdf)

- a percentage based on the stage of assessment where the application is withdrawn after the assessment has started (e.g. 65% for a STD withdrawn at day 45); and
- 0% where the application is withdrawn after the assessment is complete.

### **4.3 Other Cost Recovery Arrangements**

NICNAS will recover costs for work performed for other government agencies and for training provided to notifiers of new chemicals.

A separate fee is also charged for searches of the public AICS conducted by NICNAS. Individuals and companies can search the public AICS free of charge online. Searches of the confidential AICS are conducted by NICNAS free of charge. The AICS search fee is a service fee rather than a regulatory fee, and does not form part of the fees set out in the regulations to the IC(NA) Act.

## **5 Activity Based Costing**

NICNAS undertakes a range of activities within 5 program areas; New Chemicals, Existing Chemicals. Business Management and Communications, Compliance and Enforcement, Science Strategy and International, and Regulatory Reform (see Attachment B for details).

NICNAS will continue to use an activity based costing (ABC) approach to develop costing information. ABC is a transparent and simple method of developing the full costs of services for an organisation that produces multiple outputs.

The ABC model will assign operating costs, including all direct and indirect costs (see below for details), and capital costs, in the form of depreciation and amortisation, to the goods and services produced by NICNAS.

Mechanisms to determine costs include use of a separate cost centre for each of the principal areas of activity, tracking costs associated with key projects through project codes, and NICNAS staff recording time spent against activities in the Resource Allocation System (RAS). The allocation of staff time against activities allows, as far as possible, the identification of labour costs against particular activities.

## 5.1 Direct Costs

Direct costs are costs that can be directly and unequivocally attributed to a product. Direct costs are more likely to vary with the level of activity required for a service and output. Direct costs include:

- Labour or staffing costs. This can be broken into two components
  - Salaries and wages of staff expressed in annual, fortnightly, weekly, daily or hourly terms; and
  - On-costs such as annual and long service leave, allowances, and superannuation costs.
- Services and consultancies obtained on a contract basis; and
- Travel, training, committee and other costs directly attributable to an activity.

## 5.2 Indirect Costs

Indirect costs are costs that are not directly attributable to a product and are often referred to as overheads. Indirect costs include:

- Corporate service costs, such as
  - Financial services (e.g., goods receipting, invoice receipting, budgeting);
  - Information technology (e.g., desktop and server support, telephones, faxes);
  - Communication, printing and publication services; and
  - Services provided under the DoHA Service Level Agreement (e.g., human resource management, parliamentary services).
- Property and property operating expenses (e.g. rent, electricity, waste disposal, cleaning, security)

## 6 Legal Authority for NICNAS Fees and Charges

The Australian Government regulates industrial chemicals under the:

- *Industrial Chemicals (Notification and Assessment) Act 1989*;
- *Industrial Chemicals (Notification and Assessment) Regulations 1990*;
- *Industrial Chemicals (Registration Charges – General) Act 1997*;
- *Industrial Chemicals (Registration Charges – Excise) Act 1997*; and
- *Industrial Chemicals (Registration Charges – Customs) Act 1997*.

The legal authority for New Chemical pre-market assessment fees are detailed in Section 110 of the IC(NA) Act, with amounts specified in Regulation 13 and Schedule 2. The Act and Regulations provide for a range of fee waivers and remissions in defined circumstances, with the reductions linked to the reduced effort involved in the assessment.

A number of administrative fees are prescribed in Section 110 and are set to broadly recover the related processing costs. Similarly, the registration application and renewal fees prescribed under Section 110(1)(ua) and (ub) of the IC(NA) Act provide the authority to recover the cost of maintaining the register of chemical introducers as specified in Sections 80C and 80D of the Act.

Section 80S of the IC(NA) Act provides for the imposition of a registration charge for excise, customs or taxation purposes. Section 3 of the *Industrial Chemicals (Registration Charges – General) Act 1997* provides for the imposition of the registration charge as a levy. The amount of the registration charge is based on tiers prescribed in Section 80T of the IC(NA) Act and is based on the value of industrial chemicals turnover, with the level of charge payable included in regulation 11AB of the IC(NA) Act. The Australian Government Solicitor has confirmed that the registration charge has appropriate legislative support in accordance with Section 55 of the Constitution.

## **7 Managing Cross-Subsidisation**

Cross-subsidisation occurs when one user group pays more or less for a service than the actual cost of providing the service and the resulting surplus is used to offset the costs of services to other groups or deficit is recuperated from other cost recovery funds.

It is NICNAS intent to minimise this type of cross-subsidisation between user groups by setting fees and charges that are designed to achieve full cost recovery for each group in accordance with the government's cost recovery guidelines. There is, however, a level of cross subsidisation of the functions of the new chemical assessment team from the registration levy in an effort to limit the introduction cost of new innovative chemicals coming onto the market and recognising that many of these chemicals ultimately become available for use by the industry as a whole through

addition to the AICS. The level of cross subsidisation was noted as acceptable to stakeholders in 2004-05 CRIS and will be revisited through subsequent CRIS reviews.

## **8 Managing Cost Recovery Outcomes**

Programs should ideally endeavour to fully recover their costs in the year they are incurred. Full cost recovery in one year, however, must be weighed against the necessity for price stability. Similarly, fluctuations in industry activities may affect the level of money recovered. Therefore, in practice, it may not be possible to achieve full cost recovery in one year.

Where unbudgeted under or over recoveries become evident, action will be taken to adjust charges to ensure that costs are fully recovered over a period of time. This action will be discussed with the IGCC and appropriately documented. Fees and charges should be set at a level to avoid sustained under or over recoveries in future years. The level of under or over cost recovery will be considered in setting fees for subsequent years.

NICNAS operates under the Commonwealth Financial Management and Accountability Act (FMA Act) and Budget Process Operational Rules (BPORs). Any potential loss by NICNAS must be consolidated within the Department of Health and Ageing. The consolidated entity cannot incur an annual operating loss without prior approval from the Minister for Finance and Deregulation.

NICNAS aims to achieve a neutral budget and actively tracks its revenue and expenditure to achieve this. Should a potential loss be identified NICNAS will advise DoHA. DoHA will apply to the Minister for Finance and Deregulation if required and advise NICNAS of the outcome. NICNAS will not incur a loss without prior approval.

### **8.1 Under-Recoveries**

Under-recoveries must be recovered in future years. A strategy designed to recoup these shortfalls in revenue will be presented to the IGCC. Strategies to be considered include a reduction in expenditure, the use of over-recovered funds from previous years or a fee/charge increase.

## **8.2 Over-Recoveries**

Over-recoveries must be managed appropriately. Strategies to be considered include:

- retained surpluses added to the operational reserves (see section 9.3 below); or
- return to industry as initiatives developed in consultation with industry.

The way over-recovered funds are to be used will be discussed with the IGCC.

## **8.3 Operational Reserve**

The NICNAS budget is based on predicted levels of new chemicals notifications and the numbers of expected registrants in each tier. In making these estimates NICNAS is guided by activity levels in preceding years and advice from the IGCC on anticipated industry activity. Fluctuations in industry activity potentially impact NICNAS in two ways:

- lower or higher than budgeted numbers of new chemicals applications;  
and/or
- lower or higher than budgeted number of companies maintaining NICNAS registrations.

An operational reserve is used as a risk mitigation strategy by cost recovered agencies to allow the business of the agency to continue business in the event that there is a shortfall in income and to prevent the need to use the budget process to make up the deficit. As a risk mitigation strategy, NICNAS holds a 10% contingency fund (equivalent to just over one month's operating expenses) in operational reserves agreed to by the IGCC. In addition, NICNAS has accumulated funds which allows for capital expenditure.

## **9 Performance Indicators**

To ensure NICNAS is using cost recovery monies efficiently and effectively, quantitative key performance indicators will be set each year and for the next 3 forward years. These performance indicators will cover the key NICNAS deliverables, including but not limited to, NICNAS assessment timeframes and compliance with NICNAS registration.

NICNAS will report against the key performance indicators to the IGCC and in the NICNAS annual report.

## **10 Periodic Review and Benchmarking**

With an annual budget of approximately \$9 million, NICNAS cost recovery arrangements are considered “significant” under the government’s cost recovery policy. The policy requires that cost recovery arrangements must be reviewed periodically and no less frequently than every 5 years. As part of this process, NICNAS will also review this document and benchmark its costs and performance against comparable international and national agencies and/or product types where possible.

**Appendix A: Key points regarding the application of the Cost Recovery (CR) policy (Extract from Finance Circular No. 2005/09, Department of Finance and Administration).**

1.	Agencies should set charges to recover all the costs of products or services where it is efficient to do so, with partial CR to apply only where new arrangements are phased in, where there are government endorsed community service obligations, or for explicit government policy purposes.
2.	CR should not be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would unduly stifle competition or industry innovation.
3.	Any charges should reflect the costs of providing the product or service and should generally be imposed on a fee-for-service basis or, where efficient, as a levy.
4.	Agencies should ensure that all CR arrangements have clear legal authority for the imposition of charges.
5.	Costs that are not directly related or integral to the provision of products or services (e.g. some policy and parliamentary servicing functions) should not be recovered. Agencies that undertake regulatory activities should generally include administration costs when determining appropriate charges.
6.	Where possible CR should be undertaken on an activity (or activity group) basis rather than across the agency as a whole. CR targets on an agency-wide basis will be discontinued.
7.	Products and services funded through the budget process form an agency's 'basic information product set' and should not be cost recovered. Commercial, additional and incremental products and services that are not funded through the budget process fall outside of an agency's 'basic product set' and may be appropriate to cost recover.
8.	Portfolio Ministers should determine the most appropriate consultative mechanisms for their agencies' CR arrangements, where relevant.

9.	<p>CR arrangements will be considered significant ('significant CR arrangements') depending on both the amount of revenue and the impact on stakeholders. A 'significant CR arrangement' is one where:</p> <ul style="list-style-type: none"> <li>• an agency's total CR receipts equal \$5 million or more per annum – in this case every CR arrangement within the agency is considered, prima facie, to be significant, regardless of individual activity totals; or</li> <li>• an agency's CR receipts are below \$5 million per annum, but stakeholders are likely to be materially affected by the CR initiative; or</li> <li>• Ministers have determined the activity to be significant on a case-by-case basis.</li> </ul>
10.	<p>All agencies with significant CR arrangements will need to prepare Cost Recovery Impact Statements (CRIS) when:</p> <ul style="list-style-type: none"> <li>• reviews consistent with the Australian Government's review schedule for existing cost recovery arrangements are undertaken; or</li> <li>• new cost recovery arrangements are proposed; or</li> <li>• material amendments are made to existing arrangements (a general rule-of-thumb is that price changes greater than the Consumer Price Index would be considered material. However, in making a decision about materiality, agencies should also consider the likely impact on stakeholders); or</li> <li>• periodic reviews of cost recovery arrangements are undertaken.</li> </ul>
11.	<p>The chief executive, secretary or board must certify that the CRIS complies with the CR policy and provide a copy to the Department of Finance and Deregulation. Agencies must include a summary of the CRIS in their portfolio budget submissions and statements.</p>
12.	<p>A CRIS will not be required where a Regulation Impact Statement that also addresses CR arrangements against the revised Guidelines has been prepared.</p>

13.	Agencies with significant CR arrangements should ensure that they undertake appropriate stakeholder consultation, including with relevant departments.
14.	Agencies are to review all significant CR arrangements periodically, but no less frequently than every five years.
15.	Agencies will need to separately identify all CR revenues in notes to financial statements – to be published in portfolio budget statements and annual reports consistent with the Finance Minister’s Orders.
16.	Portfolio Ministers are responsible for ensuring that the CR arrangements of agencies within their portfolios comply with the policy and will report on implementation and compliance in portfolio budget submissions.
17.	Where a government entity considers that a significant cost recovery arrangement that is new, materially amended or which has been reviewed, should be exempted from the CR policy, either wholly or partly, relevant Ministers must obtain the agreement of the Minister for Finance and Administration.

## Appendix B: Current NICNAS activities by program area

New Chemicals Program	<p>Assessments</p> <ul style="list-style-type: none"> <li>• Certificate assessments</li> <li>• Permit assessments</li> <li>• Post-assessment activities e.g., secondary notifications</li> </ul>
	<p>Technical support</p> <ul style="list-style-type: none"> <li>• Industry consultancy service (pre-notification consultation)</li> <li>• Technical input into compliance investigations</li> <li>• Technical input into for AICS queries</li> <li>• Stakeholder enquiries</li> </ul>
	<p>Methodology development and staff training in:</p> <ul style="list-style-type: none"> <li>• Quantitative Structure Activity Relationship modelling</li> <li>• Use of alternative test methods in risk assessment</li> <li>• Risk assessment of industrial nanomaterials</li> </ul>
	<p>Streamlining of processes</p> <ul style="list-style-type: none"> <li>• Maintaining decision and enquiries repository</li> <li>• Amendments to Handbook for Notifiers</li> <li>• Updates to standard new chemicals forms and templates</li> </ul>
	<p>Administration</p> <ul style="list-style-type: none"> <li>• Tracking of progress on new chemicals assessments</li> <li>• New chemicals financial management – recording and acknowledgement of fees, rebates and refunds</li> </ul>
	<p>International activities</p> <ul style="list-style-type: none"> <li>• OECD New Chemicals Clearing House</li> <li>• Activities under bilateral agreements – USA and Canada</li> </ul>

	<p>Inventory management</p> <ul style="list-style-type: none"> <li>• Early listing applications</li> <li>• Confidential listing applications</li> <li>• AICS searches</li> <li>• Technical and secretariat support to NICNAS Technical Advisory Group</li> </ul>
Business Management and Communications Program	<p>Financial management</p> <ul style="list-style-type: none"> <li>• NICNAS budget</li> <li>• Financial reporting to government</li> <li>• Accounts payable and receivable</li> </ul>
	<p>IT</p> <ul style="list-style-type: none"> <li>• Software updates</li> <li>• Development of online registration facilities</li> <li>• Strategic outlook</li> </ul>
	<p>Administrative support</p> <ul style="list-style-type: none"> <li>• NICNAS committees</li> <li>• Facilities management</li> <li>• Management of DoHA service level agreement</li> </ul>
	<p>Communications activities</p> <ul style="list-style-type: none"> <li>• Website</li> <li>• Publications</li> <li>• Enquiries</li> <li>• Communication and surveys</li> </ul>
Compliance and Enforcement Program	<p>NICNAS registration</p> <ul style="list-style-type: none"> <li>• Registration program management and administration</li> <li>• Debt recovery</li> <li>• Registration enquiries</li> </ul>
	<p>Education and outreach</p> <ul style="list-style-type: none"> <li>• Stakeholder education on legislative obligations</li> <li>• Compliance and registration enquiries</li> </ul>

	<p>Compliance case management and investigations including:</p> <ul style="list-style-type: none"> <li>• complaints management</li> <li>• enquiries management</li> <li>• Interagency liaison</li> </ul> <p>Prior informed consent</p> <ul style="list-style-type: none"> <li>• Data maintenance and monitoring</li> <li>• Export authorisations</li> <li>• Inter agency liaison</li> </ul> <p>Audit program</p> <ul style="list-style-type: none"> <li>• Registration at appropriate tier level and non registered introducers</li> <li>• Appropriate use of exemption categories</li> <li>• Compliance with permit and other conditions for introduction of new chemicals</li> </ul>
Existing Chemicals Program	<p>Assessments of Existing Chemicals</p> <ul style="list-style-type: none"> <li>• Priority existing chemicals (full and preliminary assessments)</li> <li>• Secondary notifications of existing chemicals</li> <li>• Targeted and screening assessments</li> <li>• Nanoforms of existing chemicals</li> <li>• Conducting surveys on the use of existing chemicals</li> <li>• Technical advice to other government departments and safety information to consumers and industry</li> <li>• Recommendations for managing the risks of existing chemicals by poisons scheduling and occupational health and safety standard setting</li> <li>• Managing interfaces with national regulators- e.g. FSANZ</li> </ul>

	<p>International activities</p> <ul style="list-style-type: none"> <li>• OECD programs, including SIAM, Perfluro chemicals taskforce, hazard assessment taskforce</li> <li>• Technical input into UNEP programs - e.g. POPS, PIC, SAICM, GHS, LBI, DG</li> <li>• Bilateral arrangements on existing chemicals – US, Canada, ECHA</li> </ul>
	<p>Identification of chemicals of concern on National Inventory</p> <ul style="list-style-type: none"> <li>• Collection of exposure indicator information</li> <li>• Hazard determination using predictive models, national and overseas data</li> <li>• Determination of risks of chemicals on the inventory</li> </ul>
Reform activities	<p>Implementing recommendations from the NICNAS Existing Chemicals Program Review</p>
	<p>Maintenance of inventory</p> <ul style="list-style-type: none"> <li>• Currency of entries</li> <li>• Correction of errors</li> <li>• Streamlining confidential listing process</li> </ul>
	<p>Exploring cooperative arrangements with regional partners</p>
	<p>Reforms to current regulatory arrangements</p> <ul style="list-style-type: none"> <li>• Chemicals at the cosmetic therapeutic interface</li> <li>• Chemicals in hard surface disinfectant products</li> <li>• Refining Low Regulatory Concern Chemicals framework</li> <li>• Regulatory strategy for industrial nanomaterials</li> </ul>
	<p>Inventory reforms</p> <ul style="list-style-type: none"> <li>• Improving clarity of confidential listing process</li> </ul>
	<p>International activities</p> <ul style="list-style-type: none"> <li>• Developing cooperative relationships with comparable regulators in the region</li> </ul>

Corporate activities	Government activities <ul style="list-style-type: none"> <li>• Regulatory reporting</li> <li>• Performance reporting - quarterly and annual reports</li> <li>• Whole of government activities – standing committee on chemicals, Productivity Commission reviews (where relevant)</li> <li>• Review of poisons scheduling arrangements</li> </ul>
	Parliamentary services <ul style="list-style-type: none"> <li>• Ministerial briefing, correspondence, attendance at Senate Committee hearings</li> <li>• Reporting on activities under the Act</li> </ul>
	Legislation and regulations – technical input
	NICNAS Management <ul style="list-style-type: none"> <li>• Day to day management of organisation- e.g. Director, organisational executive</li> <li>• Staff performance management and training</li> <li>• Departmental/ Australian Public Service activities</li> <li>• Cost recovery review</li> </ul>
	Library services

## Appendix C: NICNAS New Chemicals fee categories

Service	Assessment Code
<b><i>Assessment Certificate Applications</i></b>	
Standard Assessment	STD
Limited Assessment	LTD
Polymer of Low Concern	PLC
Application for Extension of Assessment Certificate	EX
<b><i>Self-assessment Certificate Applications</i></b>	
Non-hazardous chemical	SANHC
Non-hazardous polymer	SANHP
Polymer of Low Concern	SAPLC
<b><i>Approved Foreign Scheme - Canada</i></b>	
Standard Assessment	STD
Limited Assessment	LTD
Polymer of Low Concern	PLC
<b><i>Reassessment of new chemicals – secondary notifications</i></b>	
Polymer of Low Concern	SN
Other new chemicals	SN
<b><i>Permit Applications</i></b>	
Commercial Evaluation Permit	CEC
Low Volume Chemical Permit	LVC
Controlled Use Permit (Export Only)	EOP
Controlled Use Permit (Other)	CUP
Application for Early Introduction Permit	EIP
Section 30 Permit Application	-

<b><i>Permit Renewal Applications</i></b>	
Commercial Evaluation Renewal	CER
Low Volume Chemical Permit Renewal	LVCR
Controlled Use Permit Renewal	CUPR
<b><i>Administrative Applications</i></b>	
Variation of Schedule Data Requirements	-
Nomination of a Foreign Scheme	-
Exempt Information	-
Application to Vary Assessment Report	-
Application to Vary Full Public Report	-
Alternate State Law Application	-
<b><i>AICS</i></b>	
Confidential Listing of a New Industrial Chemical	-
Application to Retain Confidential Listing	-
Application for Early Non-confidential Listing with fee	-
Application to be a Holder of a Confidence	-
Transfer to Confidential listing	-
Search of Public AICS by NICNAS	-